



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

April 17, 2007

IN REPLY PLEASE

REFER TO FILE: **C-1**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIND CONTRACTOR IN DEFAULT
PROJECT ID NO. RDC0014714
PIUMA ROAD EAST OF MILE MARKER 2.81
2005 STORM DAMAGE (FEMA)
SUPERVISORIAL DISTRICT 3
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Find the Contractor, G. Coast Construction, Inc., and its principal owner and president, Ezra Levi, are not complying in good faith with the contract.

Find the Contractor, G. Coast Construction, Inc., in default of their contract, and authorize the Director of Public Works, or his designee, to serve written notice on the project surety, Lincoln General Insurance Company of Pennsylvania, to complete the work of the contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 17, 2005, your Board advertised and gave authority to the Director of Public Works, or his designee, to award and execute a contract with the lowest responsible bidder and approve the Faithful Performance and Labor and Materials Bonds submitted by the Contractor. On January 23, 2006, Public Works awarded a contract to G. Coast Construction, Inc. (G. Coast), for the construction of a soldier-pile retaining wall, concrete barrier, and guardrail and reconstruct the roadway damaged by the 2005 storms. The term of the contract was 40 calendar days. The contractually

required payment and performance bonds were furnished by Lincoln General Insurance Company of Pennsylvania for 100 percent of the contract amount.

On February 21, 2006, G. Coast started construction on the project and began to perform the work. G. Coast failed to provide satisfactory supervision of the project, and a form failure occurred when concrete was improperly poured. No one was injured as a result of the form failure; however, the integrity of the wall became suspect.

On July 11, 2006, G. Coast was notified by Public Works that the concrete wall and barrier were not acceptable and must be corrected. Specifically, the wall has several bulges and does not conform to the contract plans, and the concrete barrier has numerous voids. Due to the poor workmanship and to confirm the structural integrity of the wall, on August 9, 2006, Public Works directed G. Coast to take concrete core samples from the wall for analysis in accordance with the contract specifications.

After G. Coast refused to core the wall, cores were taken and analyzed by County personnel. The tests revealed the concrete work was not in accordance with the contract, the plans, and special provisions for this project. G. Coast was informed of the test failures on November 28, 2006.

G. Coast has been fully apprised of the project deficiencies and had ample time to cure the deficiencies and yet failed to provide a remediation plan after repeated written demands by Public Works.

Because of G. Coast's failure to complete the work, Public Works recommends that your Board find G. Coast in default of their contract and authorize the Director of Public Works, or his designee, to serve written notice upon Lincoln General Insurance Company of Pennsylvania to complete the project in accordance with the plans and specifications.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility since it will provide for completion of the work at no additional cost to Public Works except for minimal administrative expenses.

FISCAL IMPACT/FINANCING

There will be no fiscal impact if the surety assumes responsibility for completing the work of the contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract specifications provide for the termination of the contract, without liability for damage, by your Board if the Board finds that the contractor is not complying in good faith. A contractor is not complying in good faith if the contractor fails to execute the Work in the manner and at such locations as specified or if the contractor is not carrying out the intent of the contract.

Public Works maintains that G. Coast failed to execute the work in the manner and at such locations as specified and is not carrying out the intent of the contract. G. Coast has not provided a completed project in accordance with the terms and conditions of the contract and failed to provide a remediation plan for the deficiencies in construction.

IMPACT ON CURRENT SERVICES

It is not anticipated the recommended action will have a significant impact on residents or motorists. However, in the event the wall must be removed and replaced, there could be short-term inconvenience to the local residents during construction by a reduction of the two-lane road to a one-lane road in the vicinity of the project.

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CONCLUSION

Please return one adopted copy of this letter to Public Works.

Respectfully submitted,

DONALD L. WOLFE
Director of Public Works

TKB:en

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cc: Chief Administrative Office
County Counsel
Office of Affirmative Action Compliance